GOVERNMENT OF INDIA
SHIPPING, ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:1073
ANSWERED ON:07.03.2007
MODEL CONCESSION AGREEMENT FOR PORTS
Lagadapati Shri Rajagopal

Will the Minister of SHIPPING, ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the Model Concession Agreement (MCA) for the Port Sector is ready for execution;

(b) if so, the details thereof including concession period given, tariff fixation formula, appointment of engineers, etc;

(c) whether any consultation have been held with the Planning Commission in this regard;

(d) if so, whether any objection was raised by the Planning Commission on MCA;

(e) if so, the details thereof; and

(f) the manner in which the MCA will be implemented?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS (SHRI T.R. BAALU)

(a)to(f) : For construction of new or additional facilities through private sector participation in the major ports under the control of the Central Government, a 'Model License Agreement' (MLA) was finalised and circulated to all the Major Port Trusts in March, 2000. The MLA addresses the concerns of the various stakeholders in the project including the technical parameters, rights and obligations of the contracting parties, tariff, financial and commercial terms, risk allocation, etc. However, pursuant to the decision of the Committee on Infrastructure headed by the Prime Minister, an Inter Ministerial Group under the chairmanship of Secretary (Shipping) with representatives from the Ministry of Finance, Ministry of Law & Justice and the Planning Commission has been set up for evolving a Model Concession Agreement (MCA) for Ports. Necessary consultations with various stakeholders and other concerned Ministries including the Planning Commission are taking place. Certain dif ferences of views are in the process of resolution. The new MCA will serve as the basis for concessions for Public Private Partnership projects in Ports in future.